

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2011-419-G - ORDER NO. 2011-833
NOVEMBER 18, 2011

IN RE: Petition of Piedmont Natural Gas Company,)	ORDER APPROVING
Incorporated for Approval of Modification of)	MODIFICATION OF
Its Experimental Hedging Plan)	EXPERIMENTAL
)	HEDGING PLAN

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Petition of Piedmont Natural Gas Company, Inc. (“Piedmont” or the “Company”) to modify its experimental hedging plan (“Petition”). Piedmont’s Experimental Natural Gas Hedging Program was approved by Order No. 2002-223 (March 26, 2002) in Docket No. 2001-410-G. The Company now seeks approval of a modification pursuant to the settlement agreement that was reached with the Office of Regulatory Staff (“ORS”) in Docket No. 2011-4-G.

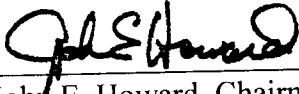
According to the Petition, the purpose of the proposed modification is to eliminate time driven hedges when the futures price for natural gas, as reflected on the New York Mercantile Exchange (“NYMEX”), is at or above the 60th decile level compared to the average historic price of gas as calculated under Piedmont’s plan. The Company states that this action is intended to effectuate the ability of Piedmont to hedge its gas costs at levels below the current minimum of 22.5% of annualized sales volumes, including the possibility of placing no hedges at all. Piedmont further states that this requested

modification, like other previous hedging modification requests, is made on the Company's evaluation that market conditions in the wholesale commodity market for natural gas are more stable than they had been in the past, and this modification reflects a continuing effort to align its plan with such changed market conditions.

We find that this is a reasonable conclusion and hold that the proposed modification is approved. As Piedmont states in its Petition, the proposed changes shall be implemented on a forward going basis only.


This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



John E. Howard, Chairman

ATTEST:



David A. Wright, Vice Chairman
(SEAL)